DECEMBER 16, 1963

OF MICHIGAN
PERIODICAL READING ROOM

FOREIGN MARKET FOR U.S. RICE

WORLD DEVELOPMENTS AND U.S. FARM TRADE

NUTS AND DRIED FRUIT ARE HOLIDAY FAVORITES

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

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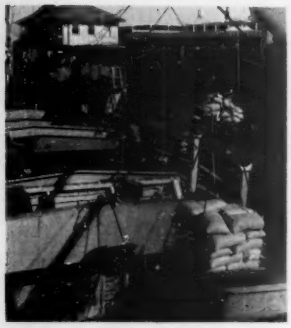

Two pallets loaded with Texas rice for export swing aboard a steamer at the port of Houston—part of the large foreign sales expected from the record 1963 U.S. rice harvest.

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DEPOSITED BY THE
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WORLD DEVELOPMENTS and U.S. FARM TRADE

Raymond A. Ioanes, Administrator of the Foreign Agricultural Service, discusses below some recent events and current proposals that will affect the export outlook for U.S. farm commodities.

These are exciting times in the foreign trade field. Many of the developments taking place in the world today could well affect the foreign trade outlook for a long time.

The immediate outlook for U.S. agricultural exports is brighter than in any other year in the Nation's history. It appears now that total shipments of U.S. farm products in 1963-64 will approximate $6 billion. If shipments hit that level—and much will depend on whether substantial grain sales to the Soviet Bloc countries materialize—they will exceed by 15 percent the previous record of $5.1 billion established in 1961-62.

We can be especially pleased that the total sold for dollars will be at a new peak of about $4.2 billion, representing 70 percent of total shipments. This sharp gain in dollar sales is of special importance when we consider our still-critical balance of payments situation.

Why this year's outlook is good

Many things account for the currently favorable export prospects. Export demand for food and fiber has been on the upgrade for a number of years because of foreign population increases, the higher purchasing stimulated by economic growth, U.S. market development activities, some liberalization of trade in farm products, and U.S. efforts to gear our farm productivity, through the Food for Peace Program, to requirements of the less developed countries. To these factors we must add this year the "extraordinary" element of agricultural shortages in some countries, which many observers believe are largely the result of unfavorable weather.

Wheat was hit especially hard by weather. It is important to note that the losses in wheat were not only heavy in certain traditional importing areas, such as Western Europe and Japan, but also in some exporting countries, such as the Soviet Union and France. The Department estimates that the additional trade created for exporting countries because of the poor wheat crops in 1963-64 totals close to 600 million bushels.

An important new element in the grain picture is the coincidence of large purchases of wheat in the same year by Communist China and the Eastern European countries, including the Soviet Union. These two areas are entering world markets this year for the purchase of about 500 million bushels of wheat and wheat flour—a total accounting for about 25 percent of 1963-64 world trade in this important cereal.

We know that Communist China did not have a good grain harvest this year. Although the regime has made no announcement of grain-purchase plans for 1964, the factors which led to purchases in recent years are still present. I think we can assume that Communist China will still be in the grain market next year.

How about the Soviet Union? We are pretty well convinced that poor weather had a lot to do with Russia's huge purchases this year. If I had to guess, I would think that a good growing season in 1964-65 would cause Russia to stay out of the world market. Russia has a tremendous wheat acreage. Just a few bushels per acre more or less make a big difference in its supply situation.

New U.K. farm proposals

The United Kingdom—one of our best customers for farm products—is taking a new look at its domestic farm programs. One of the looks has been directed at grain. The British are proposing a system they hope will mean smaller government outlays and more stable prices. Under the present system, British grain farmers receive so-called deficiency payments on their entire output, the payments representing the difference between an established price level and the world price, as reflected by "landed costs" of grain in the United Kingdom. Now the British are proposing that a limit be placed on the funds available for deficiency payments to their grain farmers. Also, a national production base in terms of the volume of output rather than acreage would be estimated. If production in the new crop year exceeded the base, payments per bushel and returns to farmers would be reduced.

Another major feature of the U.K. proposal is the introduction of a system of minimum import prices. In simple terms, the system would provide for the imposition of import levies on imported grain, if needed, to bring the landed duty-paid cost of the grain up to the level of the minimum import price. It obviously would be unnecessary to levy such charges if exporting countries could land

Based on a paper prepared for the 41st Annual Agricultural Outlook Conference, Washington, D. C., November 18, 1963.

their grain in England at prices equal to or above the minimum import price schedule.

British limit meat imports

We also are interested in recent British actions to limit meat imports from non-Commonwealth sources. We are interested because of the effect of these British moves on the U.S. meat import situation and the effects on international trade policies generally.

Both beef and pork are affected by the British actions. Under a "gentlemen's agreement" established earlier this year, Argentina will limit exports of beef to the U.K. market in accordance with voluntary quotas. The quotas, though subject to periodic revision, are considered binding by both countries. Yugoslavia reduced meat shipments to the United Kingdom by about 35 percent this year. Yugoslavia's action was taken after the British Parliament showed increasing concern over unlimited imports entering the United Kingdom.

Just a few days ago the United Kingdom established import quotas on bacon (Wiltshire sides) with seven supplying countries—Denmark, Hungary, Ireland, the Netherlands, Poland, Sweden, and Yugoslavia—and established the quantity of British-produced bacon that is to be supplied. The shares of the market are to be established by a Bacon Market Council, composed of representatives of the participating governments under a U.K. chairman, assisted by necessary industry and trade advisors. The Council also will allocate shipments from reserve supplies to satisfy unforeseen demand and to maintain price stability.

Effect of British beef action

The British appear to be closing their doors somewhat on beef imports. The action is perhaps not so significant in its present form as was the termination of long-term meat supply contracts with Commonwealth countries which took place a few years ago. But the effect of the new action, particularly if it is extended to other exporting countries and a minimum import price feature added, could throw a greater trade burden on the remaining importing countries of the world.

The United States is, of course, the most important of these. A few years ago we took 26 percent of the world's trade in beef. Today, however, we take over 50 percent. We have replaced the United Kingdom as the world's leading beef importer. Obviously we are directly affected by any action which is taken to restrict exports to other markets of the world, such as the United Kingdom.

U.S. watches Mansholt Proposal

On November 5, Sicco Mansholt, Vice President of the Commission of the European Economic Community, proposed the unification of Common Market grain prices, to become effective for the 1964-65 crop. The jump to immediate unification is in sharp contrast to some earlier ideas that, although the eventual Community-wide target price might be set promptly, its achievement would probably be approached in stages until reached in 1970.

The Mansholt Proposal is, of course, extremely important to the EEC and to the United States. It is being widely discussed in Brussels and in the respective capitals of the EEC countries. Needless to say, it is also being studied and discussed in capitals of the grain-exporting countries. It is scheduled to come before the EEC Council for consideration in mid-December.

A key question that will be asked in the days ahead is what effect these price levels will have on EEC production, particularly in France, in the years ahead. For it is the spur that prices will give to production, coupled with the real unification of the EEC grain market and its built-in preference for internal suppliers, which will determine the level of the EEC's import needs.

U.S. Suspends Tariff Concessions in Poultry Issue

The United States has notified the Executive Secretary of the General Agreement on Tariffs and Trade that it will suspend tariff concessions on brandy, trucks, dextrine, and starches. Higher tariffs on these articles will go into effect on January 7, 1964. This action is being taken to restore the balance of tariff concessions upset by restrictions imposed on poultry imports by the European Economic Community.

The new rates will apply to imports of these articles from any source. The original tariff concessions on them, however, had been negotiated with member states of the European Economic Community. These nations account for 94 percent of U.S. imports of the affected articles.

A GATT panel recently determined that the value of the U.S. trade affected by the poultry restrictions amounted to $26 million. The value of imports from EEC that will be affected by the higher U.S. tariff corresponds to this.

Following the announcement of the suspensions, Christian A. Herter, Special Representative for Trade Negotiations, stressed that the tariff concessions are suspended, not withdrawn, and they can be reinstated at any time that there is an agreement with the European Economic Community to restore reasonable access for U.S. poultry.

The articles affected and their identifying number in the Tariff Schedules of the United States are:

Brandy, in containers each holding not over one gallon and valued at more than nine dollars per gallon	TSUS 168.20
Brandy, in containers each holding over one gallon and valued at more than nine dollars per gallon	TSUS ex 168.22
Automobile trucks valued at one thousand dollars or more	TSUS ex 629.05
Dextrine and soluble or chemically treated starches	TSUS 493.30
Potato starch	TSUS 132.50

Rates of United States duties are:

TSUS number	*Item*	*Column 1 Most-favored-nation*	*Column 2 Statutory*
ex 168.20	Brandy	$1.25 per gal.	$5.00 per gal.
ex 168.22	Brandy	$1.00 per gal.	$5.00 per gal.
ex 692.05	Trucks	8.5%	25%
493.30	Dextrine	1.125¢ per lb.	3¢ per lb.
132.50	Potato starch	1¢ per lb.	2.5¢ per lb.

The FOREIGN MARKET for RICE

U.S. exports of rice for the 1963-64 marketing year are forecast at about 1,630,000 metric tons (rough basis)—slightly above the 1,615,000 exported in 1962-63 and only a little below the record 1,701,000 of 1956-57. During the first quarter of the year, registrations for export totaled about 45,000 tons more than in the same 1962-63 period.

These large exports will result from a record 1963 crop —3,149,000 tons, compared with 2,924,000 in 1962 and an average of 2,238,000 for the 5 years ending in 1959-60. With this new rice added to the 350,000-ton carryover of August 1, plus a small allowance for imports, total supply will amount to more than 3,500,000 tons. Of this quantity, domestic uses (food, brewing, and seed) will probably account for about 1,340,000 tons. Carryover stocks on August 1 next year will be slightly increased, but still substantially below the level of the late 1950's and 1960.

The U.S. in the world picture

The big U.S. crop—result of increased yields on unchanged acreage—is part of the record that world rice production is expected to set during the 1963-64 crop year, which began in August. The world harvest, with Communist Asia excluded, is forecast at 154.3 million metric tons of rough rice—3.9 million more than last year and 1.9 million above the previous record, set in 1961-62. This year's world production is even farther ahead of last year's than it looked as of July, for the final estimate of the Indian Government reports that the 1962-63 harvest in India —the world's second biggest producer — was reduced sharply by drought.

World rice acreage for 1963-64, again excluding Communist areas, is estimated at 215 million acres, 4 million less than in 1962-63, although 12 million above the average for the 5 years ending in 1959-60. Higher yields per acre this season are expected to more than offset the decline in the area harvested.

Crop prospects by areas

The 1963-64 situation in Asia is just the reverse of that a year ago; while production is up in the importing countries, it is down in the countries that usually export rice. The size of the rice crops of the largest producers—which are also the largest importers—strongly influences the trend in world production. Two of these, India and Pakistan, are expected to harvest much better crops than in 1962-63, and Japan's crop is near a record.

Production in Asia's exporting countries, on the other hand—always much smaller than in the importing countries—is about 2 million tons below the bumper harvest of 1962-63, although slightly more than in 1961-62, which was a more representative year. Offsetting these reductions are slightly larger stocks in Burma and Thailand, so that total exports in 1964 are expected to be near the level of those in 1963.

In Africa and the Middle East, acreage rose, most notably in Egypt, Iran, and Iraq. In Western Europe, preliminary data indicate a rice harvest slightly larger than the year before—about 1 percent below average. In North America, the record U.S. crop more than offset a moderate decline in Central America and a sharp drop in the Caribbean due to the October hurricanes.

It is too early in the year to know the outcome of most of South America's crop. Brazil's intention of putting more acreage into rice probably will not be fully realized because of widespread drought and floods. But acreage gained in Venezuela, Peru, Argentina, and Chile.

Australia continues acreage expansion, and given reasonably good yields, expects another record crop.

Basis for U.S. export prospects

Besides the additional supplies available for export, other problems are involved in the maintenance of U.S. rice exports this coming year. One of these is the current status of Indonesia and the Dominican Republic, where U.S. exports from this year's crop could range between 250,000 and 320,000 tons (rough basis). These countries at present are not receiving U.S. rice under the provisions of Public Law 480 because of the international situation. However, a number of other importing countries are eligible for P.L. 480 rice, and some of these have indicated a need and desire for shipments from the United States. Another element in the rice export picture is the need for grain in the USSR and Eastern European countries. There are possibilities of rice purchases from the United States by these countries. Some rice has already been sold them, though amounts to date have been small.

Thus, more than the usual uncertainty surrounds this year's export estimates. However, the difficulties mentioned should not materially affect the attainment of an export level at least as high as last year's and, in all probability, slightly higher.

EEC regulations important

Another unknown quantity at the present time is what final decision the European Economic Community will make on rice regulations for the Common Market. It is expected that final regulations will be agreed upon and approved by the EEC Council prior to December 31, 1963. However, the regulations may not go into operation before April 1, 1964.

If these regulations prove to be unduly restrictive on rice entering the EEC from third countries, including the United States, then total U.S. exports may decline. The forthcoming EEC decision will be a key factor in determining whether or not U.S. commercial exports of the higher grades and qualities of rice can maintain their current level during the 1963-64 marketing year.

Based on material prepared by the Grain and Feed Division, Foreign Agricultural Service, and the Economic and Statistical Analysis Division, Economic Research Service.

Nuts and Dried Fruits Are Holiday Favorites

As the holiday season approaches, sales of nuts and dried fruits increase—not only in the United States but throughout the world. And while the United States grows many of these seasonally popular products and even exports some, it also supplements this production with purchases from abroad.

This is a profitable business for the countries that raise and ship these holiday specialties—which are, of course, consumed throughout the year as well. In 1962, the United States imported over $59 million worth of nuts and nearly $7.5 million worth of dried fruits. At the same time, its exports of these products—mainly raisins and prunes—amounted to $13.2 million worth of nuts and $47 million worth of dried fruits.

Record nut crop for U.S.

Most popular of the nuts are pecans, cashews, walnuts, almonds, Brazil nuts, and filberts. Of these the United States produces in abundant quantities pecans, walnuts, almonds, and filberts. This year the four-nut crop is expected to be a record-breaking 298,000 tons, 34 percent above the 1957-61 average, largely because of this year's heavy pecan harvest.

Most U.S. tree nuts are consumed domestically; however, the country both imports and exports almonds, walnuts, and filberts. This two-way traffic arises because of foreign nuts that vary in type from ours, and from temporary price advantages. A significant change in the almond trade has taken place. Once the United States depended heavily on almond imports; it now has such large crops that only negligible quantities come from abroad, while exports have become sizable. Production will probably continue to grow. On the other hand, U.S. walnut sales abroad have declined since the war.

Among domestically grown nuts, the pecan has risen most rapidly in U.S. favor. This year, pecan output will account for much of the record-high four-nut total, with about 141,500 tons. (This will be a record crop and 58 percent above average.) Among countries of the world, only the southern United States and Mexico produce pecans in noteworthy amounts, and only small quantities move in international trade. U.S. exports go mainly to Canada; however, in a year of heavy production and low prices, such as 1961, Europe has been eager to increase purchases. This may happen again in 1963.

Walnuts too have been a consistent U.S. favorite. This year's crop is estimated at 78,000 tons, 9 percent above average. For the last decade, the United States has produced one-third to one-half the world total. Small exports go chiefly to Canada, while some walnuts are imported from France, Italy, India, Iran, and Turkey.

The other two leading American-grown tree nuts are almonds and filberts. This year's California almond crop, estimated at 70,000 tons, will be second only to the 1959 record and 35 percent above average. Most exports go to European countries, Japan, and Canada.

The 1963 Oregon and Washington filbert crop, estimated at 8,150 tons, is expected to be 20 percent below average. Although one of the world's four largest producers, this country is nevertheless usually a net importer, taking largest quantities from Turkey.

Tropical nuts bought abroad

The United States buys large quantities of nuts that are grown only abroad. In 1962-63, it imported 158,000 tons (in-shell) of cashews, a tropical-climate nut. These came mainly from India, and in smaller quantities from Mozambique. Brazil nut imports (from Brazil and Bolivia) were about 20,000 tons. That year, these two nuts accounted for about 88 percent of total imports, on an in-shell basis. Pistachio purchases, which fluctuate widely, are made mainly from the Near Eastern countries of Iran and Turkey. The chestnut, an American nut of importance before blight destroyed the trees, is now purchased each year from Italy.

Raisins leading dried fruit

The principal dried fruits used during the holiday season are dates, figs, and raisins. In this country raisins rate highest year-round, with dates rising most rapidly in popularity.

Raisins are an important American product. For 1963, the California pack was estimated at 259,000 tons, largest in years, before rains in October caused undetermined damage. Over a period of years U.S. production has accounted for one-third to one-half the world total. Other major world producers, though none with more than 70,000-ton estimates for this year, are Turkey, Iran, Australia, and Greece.

Last year the United States exported 45,000 tons of raisins (10 percent above average) out of a world export total of approximately 344,000 tons. This year world exports are expected to be lower—at around 300,000 tons because of poor harvests abroad—while heavy U.S. exports are anticipated.

The United States supplies over half the dates it consumes and imports the remainder. Principal U.S. suppliers have been Iraq and Iran, which in 1961-62 furnished this country almost the total 14,442 tons of dried date products imported.

The United States turns out its own sizable dried fig pack and then buys in the world market to supplement its supply. The 1962 U.S. pack was over 20,000 tons, near that of the 2 preceding years, but considerably below the 1955-59 average of 23,000. This makes the United States one of the world's top six producers; all the others are located in the Mediterranean Basin area. U.S. imports, during the past 2 years, have varied up to 16,000 tons, with Greece supplying most of the dried figs, Portugal and Turkey most of the fig paste, and Italy most of the prepared or preserved figs.

U.S. Lemon Shipments Bigger This Year

A most unusual trading situation this year has helped the United States to substantially increase its exports of lemons, even though its 1962 crop was one of the lowest on record and output thus far in 1963 is below average.

Since November of last year, U.S. shipments of lemons have been about one-third larger than in the same period of 1961-62. The total for fiscal 1963 should exceed 2.8 million boxes compared with 2.2 million in fiscal 1962. Probably the most important reason for this increase is the large crop losses in the Mediterranean area, caused by the damaging freeze last winter.

Italy, the United States' biggest competitor and currently the No. 1 exporter of this fruit, had a winter lemon crop that was 20 percent below average and as much as 40 percent smaller than the previous one and a summer crop that was the smallest in the past 5 seasons. Combined exports from these two countries during the summer of 1963 are estimated to have been about 1 million boxes less than in the same period of 1962.

Ironically, the expansion in the U.S. lemon trade followed one of the poorest harvests on record. The 1962 crop amounted to only 12.9 million boxes compared with 16.7 million in 1961 and the 1957-61 average of 16.7 million. The 1963 crop, estimated at 16.2 million boxes, is still below the 1957-61 average.

California grows the most

Commercial lemon-growing in the United States began in Florida; however, a freeze there in 1895 devastated the fruit and promoted a change in location. The coastal area of California was found to have an ideal climate, and today most of the U.S. crop and slightly over 40 percent of world output is grown in seven counties of that State, within 40 miles of the Pacific Ocean. Harvesting of California lemons is a year-round occupation, enabling the United States to supply fresh lemons on the world market in every month of the year.

Another growing area of recent importance is Arizona. Production in this State, introduced in the past decade, is already one-sixth that of California and is expected to rise considerably.

Most of the U.S. lemon crop is sold in the domestic market in the fresh form with the export market being the second choice. Normally about half to two-thirds of the lemons grown in this country are utilized in these ways. The last and least profitable outlet is in the manufacture of lemon byproducts.

Despite their low returns to producers, lemon byproducts have long been of importance. As early as 1837, lemon juice was carried on all British ships as protection against scurvy, and it is still much in demand, though not for the same reason. Today, lemon juice can be purchased in the form of a powder or as frozen or canned concentrate, one of its most popular uses being in lemonade.

Other lemon products include pectin, used in making fruit jellies and sometimes for medicinal purposes; brined peel, in the bakery and confectionery trade; and essential oil of lemon, in flavoring and in soaps and cosmetics.

Canada a big market

Even though most of this country's lemon output is consumed domestically, the United States is still able to export enough to be the world's second largest lemon exporter, generally accounting for one-fifth or more of world trade in this product. Canada is usually the United States' largest market for lemons. Most of the rest go to Western Europe, principally to France, West Germany, Belgium-Luxembourg, the Netherlands, Switzerland, and the United Kingdom. U.S. exports to these and other areas from November 1-October 31, 1959-60–1961-62, with 1962-63 shipments through September are given below:

	1959-60	1960-61	1961-62	1962-63 [1]
	1,000 boxes [2]	*1,000 boxes* [2]	*1,000 boxes* [2]	*1,000 boxes* [2]
Canada	386	414	416	398
Europe:				
Belg.-Lux.	289	282	208	224
Denmark	48	58	29	62
Finland	28	18	19	21
France	303	449	382	719
Germany, West	463	428	215	310
Iceland	3	4	4	3
Ireland	4	5	3	7
Netherlands	297	443	321	451
Norway	43	56	52	41
Sweden	59	52	44	69
Switzerland	112	54	10	12
United Kingdom	200	239	169	185
Other	46	78	77	14
Total	1,895	2,166	1,533	2,118
Other countries	173	199	230	243
Grand total	2,454	2,779	2,179	2,759

[1] 11 months November-September. [2] Boxes of 76 pounds.

U.S. exports of lemon byproducts are relatively small. In 1961-62, approximately 1.9 million gallons of lemon juice and 624,000 pounds of lemon oil were exported, mainly to Canada.

The United States faces stiff export competition in European markets, particularly from Italy which accounts for over half of world trade in that product. Spain also has a large export trade, as do many of the other Mediterranean countries. Italian lemons are permitted duty-free entry into the European Common Market.

Food laws that regulate chemicals and color also present a formidable trade barrier in the European markets, especially in Germany. Most Mediterranean lemons can be sold in Germany as "natural fruit untreated with chemicals" while the U.S. fruit must be marked "treated with chemicals, peel unfit for use."

Nevertheless, the United States had been able to maintain its strong markets in Canada and Western Europe, where U.S. lemons sell at premium prices; and there is every reason to believe that it will be able to hold its own in export markets and perhaps even increase shipments.

Iran's Trade To Gain From EEC Agreement

The first trade agreement of a purely commercial nature negotiated by the European Economic Community went into effect on December 1 with the Middle Eastern country of Iran. The term of the agreement is for 3 years, with the possibility of renewal.

In both government and commercial circles of Iran the agreement has been well received. The Common Market countries are by tradition good customers for the products that Iran has to sell, and it was a matter of some concern lest this trade be cut off. The agreement appears to have nullified the threat.

Iranian carpet, dried fruit, and caviar exports will benefit from this agreement. Although the carpet duty under the EEC's common external tariff remains at 32 percent, the maximum charge per square meter is temporarily reduced 10 percent, from $5 to $4.40. On raisins the 8-percent duty has been temporarily reduced to 7.2 percent, and the dried apricot duty from 8 percent to 7. The 30-percent duty on caviar has been reduced to 24.

Iran for some time has shown particular interest in the developments of the European Common Market and the problems arising from tariffs on the types of goods which Iran exports to the Six. The reasons for such interest are quite clear. In recent years Iran's annual non-oil exports to EEC have accounted for 25-30 percent of its total exports, while its imports from the EEC have been around 34 percent of the total. Cotton and dried fruits are particularly important in the export trade with Europe.

In fiscal year 1961 Iran exported 55,900 tons of cotton, which brought in $29 million in foreign exchange. The Common Market bought 26.3 percent of the total, while the percentage of sales to Great Britain and the Soviet Union was 27.7 and 12.6 respectively. The following year cotton exports increased to 60,000 tons, valued at over $32 million. The share purchased by the EEC and Britain remained more or less the same, but exports to the Soviet Union increased to 16.8 percent of the total.

In the case of cotton, Iran will have no problem with the EEC as far as tariffs are concerned, since Italy was the only country among the Six which had tariffs on cotton. In the future cotton will have no tariffs at all.

Iran has more serious problems in the export of dried fruit, particularly raisins. Of the total 40,500 tons of raisins exported in fiscal 1961, over 22,000 tons went to the EEC. Most of Iran's raisin exports to the EEC go to West Germany; that country alone bought 17,800 tons in 1961, while combined sales to France, Italy, and the Benelux countries were 4,200 tons only. The other major customers outside the Market were the Soviet Union, 7,500 tons; Great Britain, 4,500; and East Germany, 2,600.

In fiscal 1962 Iran's raisin sales to the Market declined sharply to 13,300 tons, of which 9,400 tons went to Germany. This drop-off was caused by Turkey and Greece pushing their sales in Europe through better standardization and packaging, and closer adherence to the health specifications of purchasing countries. Iran tried to compensate for the loss of its West European market by seeking to sell in countries which set less rigid rules on their food imports. As a result, sales to East Germany, Hungary, and India increased to 6,300, 1,950, and 1,600 tons, respectively.

Iranians reason that tariffs in the EEC countries will affect Iran little. Germany has had no tariffs on raisins, while Italy's tariffs have been 18 percent and those of the Benelux countries 12 percent. The EEC now aims at a common tariff of 8 percent in 1970. However, the problem of raisin exports to the EEC is not the tariffs but the competition from other suppliers and the lack of a consistent export promotion policy and of quality standards.

Agricultural trade is important to Iran despite the overshadowing importance of petroleum exports. During the 7-year period beginning in fiscal 1955 the estimated value of this trade varied between $120 and $150 million annually. Furthermore, agricultural exports usually exceed the value of agricultural imports, except when drought conditions, as in recent years, cause emergency purchases of grains and flour. The signing of the EEC Agreement will help to maintain a desirable balance in Iran's agricultural trade.

T. O. ENGEBRETSON
U.S. Agricultural Attaché, Iran

Important USDA Publications

Prepared by the Economic Research Service; single copies are available without charge from Office of Management Services, U.S. Department of Agriculture, Washington, D.C. 20250:

Agricultural Protection by Nontariff Trade Barriers. This report outlines nontariff barriers, such as variable levies, monopolies, and import licensing, in effect in major trading countries. ERS-Foreign-60.

The Dominican Republic: Agriculture and Trade. A large potential market is indicated in a country for which the United States has been the top source of farm and nonfarm imports alike, and for whose agricultural exports the United States has been the major market. ERS-Foreign-51.

Agriculture in the United States and the Soviet Union. Agricultural conditions and production in the two countries are compared, including climate, soils, land utilization, capital and labor inputs, and agricultural organization and management. Statistical data show acreage, yields, production, and management. ERS-Foreign-53.

Prepared by the Foreign Agricultural Service; and single copies are available without charge from Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250:

Coffee Situation: Programs and Policies in Producing Countries. By continent and country, production and trade data are given for 45 major coffee-raising areas, in addition to policies and government programs. FAS-M-148.

Tokyo Trade Center's First 1964 Events Feature U.S. Leather, Fruits, Vegetables

The Tokyo Trade Center's first agricultural shows in 1964 will feature U.S. leather, followed closely by U.S. fruits and vegetables—products which find a prime market in Japan.

The Leather and Leather Products Show, from February 26 to March 6, will be presented for the first time at the Center by the Western States Meat Packers Association, in cooperation with FAS and the All Japan Leather Association.

In the main display area, exhibits and demonstrations will stress the utility and prestige value of "genuine" leather products—the theme being used in the successful U.S. hides and skins promotion in Japan, now in its third year. Among the attractions: hides and skins samples, new leather accessories, leather colors for 1964, and a fashion show of US and Japanese models wearing latest styles in leather apparel. Many of the products exhibited will be those shown by the Tanners' Council of America at the recent U.S. Agriculture Exhibition in Amsterdam.

Capitalizing on the growing popularity of American Western movies and horseback riding in Japan, the Leather Show will devote a separate room to exhibits of leather saddles, bridles, and riding equipment.

Films about the U.S. tanning industry will be shown during special morning programs held on the second floor exhibit area of the Center.

Invited to the Leather Show will be Japanese leather wholesalers, retailers, manufacturers, and consumer groups. Tickets to the show will also be given to individual purchasers of certain leather products on sale in Tokyo's department stores. Some 3,000 persons are expected to attend.

As top buyer of U.S. hides and skins, Japan today represents a growing $31-million market, with U.S. raw hides accounting for about 75 percent of total Japanese imports. Despite recent competition from synthetic leathers, the Japanese demand for natural leathers continues to outpace that for man-made types.

At the Fruit and Vegetable Show, March 18-27, products to be displayed, sampled, and demonstrated include fresh, canned, and dried fruits, and assorted canned vegetables. The show will emphasize that the United States can supply complete lines of top quality fruits at competitive prices.

Approximately 25 firms and trade associations are expected to participate. Most of these have agents or branch offices in Japan. The first 12 participants to sign agreements with FAS are: the Florida Citrus Commission; the California Raisin Advisory Board; Campbell's Soup, Int'l.; the Florida Citrus Exchange; Green Giant Co.; Oceana Canning Co.; the California Packing Corp.; H. J. Hines Co.; the California Prune Advisory Board; the Dried Fruit Ass'n of California; Libby McNeil & Libby; Sun-Maid Raisin Growers of California.

As in the Leather Show, the Fruit and Vegetable Show will present morning programs to special groups, including motion pictures on products being exhibited and demonstrations of fruit and vegetable dishes and recipes. Production and marketing techniques of the two industries will be stressed in panels of photographs.

The Show is expected to draw about 3,000 persons from select buyer and consumer groups.

Japan ranks among the leading world markets for U.S. fruits, though exports are somewhat limited by nontariff barriers, such as embargoes and seasonal quotas. Biggest potential for sales expansion is seen in lemons, for which the demand far exceeds Japan's domestic production. U.S. lemon exports to Japan, now at $1 million annually, could double in a single year if nontariff barriers were eased. The outlook is also favorable for canned vegetables, on which there are no import restrictions at this time.

U.S. Foods Exhibit at Int'l Hotel Show

U.S. commodity groups will participate for the first time in the International Hotel and Catering Exhibit to be held at the Olympia Exhibit Hall in London, January 21-30.

The Exhibit, held annually, is the biggest affair of its kind in the United Kingdom. Aimed specifically at users of institutional-size packaged foods, the show attracts top people in the catering and hotel business both in the United Kingdom and on the Continent. The U.S.' decision to participate grew out of the success of its own hotel and catering exhibit at the London Trade Center in 1962.

The U.S. exhibit, largest at the show, will cover some 5,000 square feet. Around its perimeter, 10 U.S. commodity organizations will have booths manned by their overseas representatives. Commodities included are: rice, cranberries, prunes, raisins, soybeans, lard, poultry, wine, and citrus fruits.

In the center will be a trade lounge and a large demonstration area where a top U.S. chef, André René of The Plaza, New York City, will prepare American dishes using the 10 commodities. The demonstrations will be seen throughout the U.S. exhibit area on closed TV hookup and permit far wider viewing by visitors.

Beginning 1 week before the Olympia Exhibit, the Carlton Towers Hotel of London will stage a 2-week American Food Festival, featuring American chefs and menus highlighting the foods on display at the Olympia.

Japan Probably To Import U.S. Soybean Meal

An apparent soybean meal shortage in Japan has prompted the Livestock Bureau of the Ministry of Agriculture and Forestry (MAF) to request permission to import 50,000 metric tons of soybean meal. Reportedly 18,000 metric tons of U.S. soybean meal have been purchased for early shipment contingent upon the granting of an import license. The purchase price was around $112 per metric ton c.&f.

During January-July 1963 Japan imported only 1,125 tons of soybean meal compared with 15,190 and 32,496 in the first 7 months of 1962 and 1961, respectively. In all of 1962, Japan imported 15,821 tons of soybean meal (5,945 from the United States and 9,627 from the USSR) and in all of 1961, 56,355 tons (55,036 from the United States and 1,095 from the USSR).

Japan's production of mixed formula feed continues to grow at a rapid rate and soybean crushings have not increased rapidly enough to meet the growing demand for soybean meal by the mixed feed industry. Trade circles feel that funds probably will be allocated for imports of 25,000 to 30,000 metric tons of soybean meal during the second half of the Japanese fiscal year 1963 (October 1963-March 1964). The import budget provides funds for importing soybean meal, but the MAF has not yet decided that imports are necessary. No allocations were made in the first half of JFY 1963 (April-September 1963), but one is expected within a short time.

The Livestock Bureau recently proposed that soybean meal imports be liberalized on April 1, 1964, instead of October 1, 1964, as presently planned. However, this date is not expected to be advanced, since liberalization of soybean meal is part of a planned package that includes liberalization of soybean oil and abolition of the import duty on soybeans.

Indian Castorbean Output Expected To Rise

India's 1963-64 castorbean area is believed by trade sources to be about 5 percent larger than last year's. If the crop receives normal rain during the next few weeks, production is expected to increase similarly. The crop to be harvested early in 1964 is estimated unofficially at 108,000 metric tons from 1,150,000 acres, compared with 102,600 tons from 1,097,000 acres in 1963.

India continues to prohibit exports of castorbeans. Exports of castor cake are permitted, but there have been none since 1958. Exports of castor oil have been completely decontrolled and the export duty abolished since mid-1958. However, high Indian prices compared to world prices have caused shipments to decline sharply to 22,758 tons in 1961 and 26,189 in 1962 from the record of 58,474 in 1960.

To boost exports of castor oil, an export incentive program was introduced on April 15, 1963, linking exports of castor oil with imports of copra and palm oil (see *Foreign Agriculture*, May 27, 1963). The program was designed to enable exporters to sell Indian castor oil in foreign markets at prices below the level of prices in the internal market and to compensate for their losses through profits from imports of copra and palm oil.

Exports of castor oil have increased considerably this year, totaling 28,659 tons during January-August against 21,225 in the same period last year. Of the total, 16,577 tons went to the USSR, the largest quantity ever exported to that country. None was exported to the United States. Total exports for the year are expected to be about 40,000 tons.

India's government and trade are concerned over reduced exports to the United Kingdom resulting from high Indian prices and over loss of the U.S. market since 1960, when exports to this country totaled 22,711 tons. Export incentives reportedly are expected to be further liberalized in order to increase exports in 1964. In view of the government's anxiety to earn foreign exchange, exports of castor oil in 1964 are expected to approximate this year's level. A large portion of these exports may continue to go to Communist countries against rupee payments.

Finland, Red China Agree on Soybean Quota

According to the annual trade agreement between Finland and Communist China signed in Peiping on October 28, 1963, China's export quotas for 1964 include 30,000 tons (1.1 million bu.) of soybeans as well as specified quantities of other agricultural and industrial products. In this year's agreement, the soybean quota was 25,000 tons (900,000 bu).

Indian Peanut Plantings Up 7 Percent

India's first official estimate of the area planted to peanuts in 1963-64 is 13,502,000 acres, 7 percent above the comparable estimate for 1962-63 of 12,659,000 acres. This estimate covers the period generally to the end of July. Based on past experience, the first estimate reflects roughly three-fourths of the area finally reported.

The final estimates for 1962-63 indicate that 5,062,300 short tons of peanuts (unshelled) were produced from 16,407,000 planted acres.

Argentine Flaxseed Area Down Slightly

The third official estimate of Argentina's 1963-64 flaxseed area is 3,558,240 acres compared with 3,676,850 in 1962-63, a decline of 3 percent.

The first official estimate of production is expected in December. Unofficial sources believe the crop may be slightly less than last year's 33.5 million bushels.

Suez Canal Shipments Increase in 1962-63

Northbound shipments of oil-bearing materials through the Suez Canal during the U.S. marketing year just ended (October 1962-September 1963) increased 19 percent from the previous marketing year.

The rise stemmed largely from the increased volume of copra, peanut, and cottonseed shipped. Copra shipments, largely of Philippine origin, were one-fourth above those for a year earlier. Shipments of peanuts and cottonseed rose 60 and 38 percent respectively—reflecting, in the main, increased export availabilities of Indian peanuts and Sudanese cottonseed.

OILBEARING MATERIALS: SUEZ CANAL, NORTHBOUND SHIPMENTS, MARKETING YEARS 1961 AND 1962

Item	September		October-September	
	1962	1963	1961-62	1962-63
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans [1]	3,962	5,002	151,503	95,200
Copra	41,329	62,692	576,140	719,781
Peanuts	11,582	24,110	176,336	282,807
Cottonseed	19,054	10,311	157,616	216,914
Flaxseed [2]	1,000	768	37,715	35,714
Castor beans	3,537	6,120	42,660	62,378
Palm nuts and kernels	3,003	2,045	31,814	29,415
Others	6,375	10,612	151,581	134,276
Total	89,842	121,660	1,325,365	1,576,485

[1] 1 metric ton of soybeans equals 36.743333 bu. [2] 1 metric ton of flaxseed equals 39.367857 bu.

Suez Canal Authority, Cairo, Egypt.

The movement of soybeans, largely of Chinese origin, declined by over 2 million bushels from the low level of the previous year. This attests to the importance of the Japanese market, which continues to account for an increasing percentage of the soybean export availabilities from Mainland China.

SOYBEANS: SUEZ CANAL, NORTHBOUND SHIPMENTS, JULY, AUG., SEPT., AND QUARTERLY TOTALS, 1958-62

Month and quarter	Year beginning October 1				
	1958	1959	1960	1961	1962
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
July	2,939	1,176	184	180	1,070
August	1,727	808	1,470	1	331
September	1,213	772	1,102	146	184
Oct.-Dec.	4,189	8,598	919	919	12
Jan.-March	10,435	13,999	6,062	4,082	1,328
April-June	9,700	8,635	1,213	239	573
July-Sept.	5,879	2,756	2,756	327	1,585
Oct.-Sept.	30,203	33,988	10,950	5,567	3,498

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

French Beef Export Quota to the U.K.

The French and U.K. Governments have been discussing sanitary regulations affecting beef imports from France, and there is a possibility that France may receive an import quota from the United Kingdom.

France has not been able to export chilled and frozen beef to the United Kingdom because of its foot-and-mouth disease situation. Because of high prices for beef in France this fall, exports to the United Kingdom are likely to be small; however, entrance into the U.K. market might be of great benefit to France in the years ahead.

Uruguay Seeking U.K. Beef Import Quota

Uruguay and the United Kingdom have recently held preliminary meetings to discuss terms of Uruguay's entry into the U.K. beef market and presumably the amounts of future U.K. beef imports from Uruguay. Regulation of Uruguayan shipments would be in accordance with the United Kingdom's policy, announced in the spring of 1963, to keep import supplies in line with requirements.

Japanese Import More U.S. Livestock Products

Japanese imports of cattle hides, tallow, lard, and hog grease in the first 9 months of 1963 continued large. However, in value terms, the U.S. share of the market for cattle hides and tallow was less than a year earlier.

U.S. exports of the three classes of products in the first 3 quarters of 1963 totaled $44 million, $1 million above those for a year earlier. But the U.S. share of the market fell from 69 percent to 67 for cattle hides and calf skins and from 88 percent to 75 for tallow. For lard and hog grease, the U.S. share rose from 67 percent to 75.

JAPAN: IMPORTS OF LIVESTOCK PRODUCTS FROM THE U.S. AND ALL COUNTRIES, JAN.-SEPT. 1962-63

Item and source	1962		1963	
	Quantity	Value	Quantity	Value
	Mil. lb.	*Mil. dol.*	*Mil. lb.*	*Mil. dol.*
Cattle hides and calf skins:				
U.S.	149	27	169	26
All countries	204	39	234	39
Tallow:				
U.S.	192	14	212	15
All countries	232	16	278	20
Lard and hog grease:				
U.S.	20	2	44	3
All countries	31	3	52	4

Mexico Inspects Cuban Boats for Livestock Diseases

All Cuban fishing boats arriving in Mexican ports in the Yucatan area are subject to inspection and disinfection by Mexican sanitary authorities. This is to prevent the spread of foot-and-mouth disease from Cuba.

These restrictions are applied to all Cuban boats, both those friendly to the Castro regime and those carrying refugees from Cuba. Mexican ships which pick up Cuban refugees are also inspected on their arrival in Mexico.

New Zealand Improves Tallow Export Facilities

Bulk facilities for handling exportable tallow are being rapidly established by many plants in New Zealand. Recent surveys indicate that new facilities are capable of handling 50 percent of New Zealand's exportable tallow.

During 1962-63, New Zealand's tallow exports totaled 128 million pounds, valued at $6.5 million. The largest single market was Communist China, which took 31 million pounds. Other buyers included the United Kingdom, India, Ceylon, South Africa, and Caribbean countries.

Australian Meat Moves to the U.S.

Four ships left Australia during the second and third weeks of November with 19,667,200 pounds of beef, 2,121,280 pounds of mutton, 58,240 pounds of lamb, and 24,640 pounds of variety meats for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Western ports:			*Pounds*
Ragna Bakke..... Nov. 12	Seattle	Dec. 26	Beef	362,880
	Portland	30	Beef	436,800
	Tacoma	Jan. 3	Beef	89,600
	Los Angeles	8	Beef	2,181,760
	San Francisco	12	Beef	654,080
Sierra..... Nov. 14	Los Angeles	Dec. 1	Beef	571,200
			Lamb	13,440
	San Francisco	5	Beef	564,480
			Mutton	44,800
	Portland	9	Beef	33,600
	Seattle	12	Beef	94,080
	Eastern and Gulf ports:			
Northumberland.... Nov. 11	Charleston	Dec. 9	Beef	219,520
			Mutton	31,360
	Norfolk	10	Beef	208,320
	Philadelphia	12	Beef	1,865,920
	New York	15	Beef	1,160,320
			Mutton	165,760
			Lamb	44,800
	Boston	20	Beef	134,400
			Mutton	64,960
Gladstone Star..... Nov. 17	Jacksonville	14	Beef	465,920
			Mutton	33,600
			Var. meats	6,720
	Charleston	15	Beef	517,440
			Mutton	407,680
	Norfolk	17	Beef	553,280
			Mutton	100,800
	Boston	20	Beef	983,360
			Mutton	134,400
	New York	22	Beef	8,041,600
			Mutton	797,440
			Var. meats	8,960
	Philadelphia	29	Beef	528,640
			Mutton	340,480

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale.

New Zealand Has New Lamb Export Grade

The New Zealand Meat Producers Board has introduced a new grade of export lamb to be known as "Alpha".

The new grade will cover carcasses weighing 17 pounds or more which could not hitherto be exported because they do not meet the minimum requirements for the FAQ grade. It is expected that the light-weight carcasses will have good consumer acceptance in Greece and other Mediterranean countries. Exports of this grade to the United Kingdom and North America are forbidden.

France Harvests Record Rice Crop

France produced a record 143,000 metric tons of rough rice in 1963. The harvest exceeded that of 1962 by 13,000 tons, and the 1955-59 average by 30,000.

Rice acreage was at a record level of 86,000 acres, a gain of 9 percent over that in 1962. Yields of 3,666 pounds of rough rice per acre were about average, but substantially below the 3,772 pounds of 1962. However, the volume produced from the larger rice acreage more than offset the decrease in output per acre.

Italy's Rice Production Declines

Italy's 1963 rice crop (October-November) is estimated at 620,000 metric tons of rough rice—32,000 below that in 1962 and 70,000 below the 1957-61 average. Crop quality this year is only fair to good.

In 1963, 287,000 acres were planted to rice—2 percent less than in 1962 and 10 percent less than the average. The acreage has declined each year since 1959, when it was 336,000 acres. It was at a peak level of 440,000 acres in 1953 and 1954 with a production up to 930,000 tons.

The decline this season is attributed to excessive rains and heavy storms, including strong winds and hail, especially in Vercelli Province. Here large areas of the flattened rice hindered mechanical harvesting, and hand labor was in short supply.

Australian Wheat Crop May Reach A New High

Prospects for Australia's 1963-64 wheat production have improved recently, and there now seems a good possibility that the crop now being harvested may reach or even exceed last year's record outturn of 307 million bushels.

Excessive rain curtailed wheat seeding in southern and western districts, making it impossible to get in all the intended 18 million acres. Current estimates indicate, however, that total acreage this year may be only slightly less than the near-record area of 16.5 million acres in 1962-63.

Growing conditions have been generally favorable in most areas but were unusually good in South Australia. The outturn there is expected to exceed the previous record by 19 percent.

Export movement during the marketing year just ended has been so heavy that virtually no stocks from the record crop were to be carried over into the 1963-64 season. Thus, supplies for the new season are approximately equivalent to the crop outturn.

In view of the continuing strong demand and of advance sales to Mainland China and the Soviet Union, it is anticipated that stocks will again be low at the end of the current season, November 30, 1964.

U.K. Allowed More Sugar Area

The Minister of Agriculture in the United Kingdom has announced permission for a 5-percent increase in sugar beet acreage in 1964. The British Sugar Corporation will be able to contract for an additional 20,000 acres of beets in England and Wales and 750 in Scotland. Production from this area should amount to about 30,000 to 40,000 tons of sugar. The existing factories will be able to handle the increased production. This increase applies only to 1964.

East African Tea Production Higher

Production of manufactured tea in East Africa (Kenya, Uganda, and Tanganyika) during January-September 1963 totaled 46,879,000 pounds, compared with 42,919,000 for the same 1962 period. Production in Kenya and Tangan-

yika is running ahead of the previous year's while that in Uganda is somewhat smaller.

East African tea production has shown rapid gains in recent years as new acreage comes into production; output has risen from the 1955-59 average of 37,139,000 pounds to 59,596,000 in 1962. Over half of East Africa's tea exports are to the United Kingdom.

EAST AFRICAN TEA PRODUCTION JANUARY-SEPTEMBER 1963, WITH COMPARISONS

Country	Average 1955-59	1962	January-September 1962	January-September 1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Kenya	23,080	36,217	25,875	29,114
Uganda	7,962	13,876	9,988	9,818
Tanganyika	6,097	9,503	7,056	7,947
Total	37,139	59,596	42,919	46,879

U.S. Coffee Imports Up in 1962-63

Imports of green coffee into the United States during October 1, 1962-September 30, 1963, totaled 23,883,000 bags (132.3 pounds)—about 3 percent larger than the 1961-62 total of 23,274,000 bags. The total dollar value of green coffee imports declined from $953.6 million in 1961-62 to $939.1 million in 1962-63. This reflects somewhat lower prices in 1962-63.

UNITED STATES: IMPORTS OF GREEN COFFEE BY CONTINENT OF ORIGIN, COFFEE YEARS 1962 AND 1963

Continent	Year ending September 30 1962	1963 [1]
	1,000 bags [2]	*1,000 bags* [2]
North America	4,433	3,910
South America	13,933	14,192
Africa	4,620	5,301
Asia and Oceania	288	480
Total, all areas	23,274	23,883
	1,000 dollars	*1,000 dollars*
Total value	953,604	939,078

[1] Preliminary. [2] 132.276 pounds each.

Brazil Suspends Pepper Exports

Exports of black and white pepper from Brazil have been suspended, and local dealers and exporters are only filling orders placed prior to October 31. Foreign sales transactions have been suspended indefinitely owing to large-scale pepper contraband from Para to Paramaribo. Contraband prices to producers are more than 75 percent above those paid by dealers and exporters.

Although Brazil supplies only a small portion of U.S. requirements, pepper imports from Brazil during 1962 amounted to 1.9 million pounds, valued at $568,000.

Zanzibar-Malagasy Clove Agreement

Zanzibar and the Malagasy Republic have agreed upon new marketing quotas for cloves. These countries together supply nearly 98 percent of the cloves entering into commerce.

Under the agreement, Zanzibar will export 8,500 tons and the Malagasy Republic, 3,250. If the world market will absorb larger quantities, Zanzibar will export 1,000 tons for every 250 exported by the Malagasy Republic. As a part of the agreement, a joint program of market promotion, including research for new uses of cloves, as well as an advertising program, is being carried on.

Canned Fruit and Juice Prices in London

Selling prices in London (landed, duty paid) of selected canned fruits and juices in October 1962 and July and October 1963 are compared below:

Type and quality	Type of can	Price per dozen units October 1962	July 1963	October 1963	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Whole, unpeeled choice	303	2.60	2.22	2.31	U.S.
Halves, choice	2½	4.59	3.87	4.00	U.S.
Halves, choice	2½	(1)	(1)	3.08	S. Africa
Halves, choice	2½	(1)	(1)	3.08	Australia
Halves, in water	15 oz.	(1)	(1)	1.47	Spain
Peaches:					
Halves, choice	2½	3.23	3.40	3.58	U.S.
Halves, choice	2½	3.26	3.00	2.94	S. Africa
Halves, choice	2½	3.29	3.03	3.29	Australia
Pears:					
Halves, choice	2½	4.34	4.13	4.76	U.S.
Halves, choice	2½	3.47	3.46	3.36	S. Africa
Halves, choice	2½	3.46	3.43	3.50	Australia
Halves, in syrup	15½ oz.	2.10	(1)	2.00	Italy
Fruit cocktail:					
Choice	303	2.35	2.35	2.66	U.S.
Choice	8 oz.	1.38	1.39	1.53	U.S.
Choice	15 oz.	2.14	2.05	2.00	Spain
Grapefruit sections:					
Fancy	303	2.12	2.31	(1)	U.S.
No. 2	20 oz.	2.87	2.73	2.59	Israel
Quality not specified	20 oz.	2.64	2.62	1.47	W. Indies
Pineapple:					
Slices, fancy	2½	3.27	3.15	3.22	Taiwan
Slices, fancy	2	3.57	(1)	3.55	U.S.
Slices, choice	16 oz.	1.50	1.50	1.50	S. Africa
Spiral standard (GAQ)	16 oz.	1.64	1.54	1.63	Malaya
CANNED JUICES					
Single strength:					
Orange	46 oz.	3.68	(1)	4.95	U.S.
Orange	19 oz.	1.96	1.92	1.89	Israel
Orange	2	1.96	(1)	1.92	W. Indies
Grapefruit	2	1.68	1.66	1.78	W. Indies
Grapefruit	46 oz.	2.86	4.15	3.50	U.S.

[1] Not quoted.

Large Cashew Supply, Strong Demand

African cashews, which account for about two-thirds of the Indian supply of raw nuts, are expected to enter India at a record level of 168,000 short tons this year. When added to India's record harvest of 84,000 tons and the moderately heavy carryover stock of 11,000, this will comprise a total supply of 263,000 short tons. The 1962-63 cashew crop in British East Africa and 1963-64 prospects are almost equal to those for Portuguese Africa for the same periods.

Despite the large supply, the trade expects prices to average about 740 rupees per long ton compared with 612 for last year's smaller supply. The price for packed kernels is, at present, 54 cents per pound c.&f. New York, immediate shipments, and may average 46 cents per pound for

this year. In 1962 the average price for packed kernels was 44 cents per pound. Forward bookings indicate that 1964 prices will be even higher for packed nuts.

A strengthened demand, both in India and abroad, seems to be the chief cause for this strong price situation. Domestic consumption has continued to increase but remains very small in relation to exports. Russia and Eastern Germany are expected to import a substantially larger quantity of cashews than in past years, while U.S. imports show indications of a moderate increase. The United States has been taking one-half and the USSR one-tenth of all Indian exports of cashews.

INDIA: CASHEWS, SUPPLY AND DISTRIBUTION 1962-64

Item	1962	1963 [1]	1964 [2]
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Jan. 1)	20,000	11,000	1,500
Production	73,000	84,000	90,000
Imports	144,500	168,000	185,000
Total supply	237,500	263,000	276,500
Exports [1] (Raw equivalent) [3]	217,500	250,500	256,000
Domestic disappearance	8,500	11,000	14,000
Ending stocks (Dec. 31)	11,000	1,500	6,500
Total distribution	237,000	263,000	276,500

[1] Preliminary. [2] Forecast. [3] Converted from export figures of kernels in 50-lb. cases on the basis of a yield of 469 pounds of packed kernels per short ton of raw nuts.

INDIA: CASHEW KERNEL EXPORTS, CALENDAR 1961-1962; JAN.-JULY 1962, 1963, AND ESTIMATED 1963

Destination	1961	1962	Jan.-July 1962	Jan.-July 1963	Estimated 1963
	Cases [1]	*Cases* [1]	*Cases* [1]	*Cases* [1]	*Cases* [1]
U.S.	1,117,742	1,141,600	660,798	720,127	1,250,000
USSR	167,311	232,627	200,996	255,065	400,000
E. Ger.	75,221	153,459	93,279	111,078	180,000
Other Com. Bloc	13,901	67,566	22,824	48,065	——
U.K.	149,339	114,755	69,588	68,103	120,000
Canada	71,777	61,904	31,848	40,019	70,000
A'tralia	58,089	63,615	41,106	49,310	80,000
Others	150,244	202,757	106,496	99,130	250,000
Total	1,803,624	2,038,283	1,226,935	1,390,897	2,350,000

[1] 50 pounds net.

Intensive government emphasis on increasing cashew production in India and expected increases in market development activities in Western Europe will probably contribute to a continued steady expansion of the cashew industry in India. Efforts to increase cashew processing in Tanganyika and other African nations may, however, slow this expansion.

Italy Expects Record Olive Production in 1963

All indications point to a record olive harvest in Italy, despite fears that last winter's cold snap would reduce this year's production. Table olive production is forecast at a record 51,700 short tons from a record total production of 2.6 million.

It is believed that the cold weather stimulated blossoming at the most favorable time for setting fruit; it also helped to reduce the dacus fly threat. Regular rains during the fruit-setting period and growing season were also given credit for the bumper crop. Italian olive production from 1960-61 through 1963-64 is given in the following table:

	1960/61 [1]	1961/62 [1]	1962/63 [2]	1963/64 [3]
	Short tons	*Short tons*	*Short tons*	*Short tons*
Olives, total	2,316,000	2,475,600	1,854,900	2,640,000
Olives, table use	35,300	50,700	36,700	51,700

[1] Final. [2] Revised. [3] Forecast.

Reports indicate that the quality of the 1963 crop is very good because of the low incidence of dacus fly damage and the plentiful rainfall.

This probable bumper crop would mean somewhat reduced import requirement for the coming year. Both imports and exports have in the past been only of minor importance when compared to production, though imports have increased sharply in recent years.

ITALY: TABLE OLIVE AND CAPERS TRADE, 1961, 1962, AND JANUARY-JUNE, 1963

Commodity	1961	1962	1963 (Jan.-June)
Imports:	*Short tons*	*Short tons*	*Short tons*
Olives and capers, preserved without vinegar [1]	3,544	5,009	4,381
Olives and capers, preserved in brine or sulfurated [2]	(3)	1,427	915
Total	(3)	6,436	5,296
Fresh olives, edible	124	4	17
Exports:			
Olives and capers, preserved without vinegar [1]	463	243	100
Olives and capers, preserved in brine or sulfurated [2]	(3)	65	23
Total	(3)	308	123
Fresh olives, edible	31	34	1

[1] Canned and bulk combined following ISTAT regrouping and renumbering of items. [2] This item was first separated in 1962. [3] Not available.

Japanese Raisin Prices Up Sharply

Wholesale raisin prices in Japan increased sharply in November 1963, and are very much higher than a year ago for raisins from countries other than the United States. Stocks have been reduced in recent months and Australian and Greek Sultanas reportedly are almost exhausted. Delays in shipments from the United States have also helped create a fairly short supply situation.

Wholesale raisin prices and comparisons with those in 1962 are given below:

	Nov. 1962	Nov. 1, 1963	Nov. 19, 1963
	U.S. cents per pound	*U.S. cents per pound*	*U.S. cents per pound*
U.S. No. 1	22.8–23.1	22.2–23.1	23.6–25.0
Greek	13.1–13.3	18.6–19.4	20.6–21.4
Australian	13.1–13.6	20.0–20.8	20.6–21.4
Turkish	Not quoted	13.9–18.1	Not quoted

Rhodesia's Flue-Cured Exports Off Slightly

Exports of flue-cured tobacco from the Rhodesias-Nyasaland totaled 77.1 million pounds in January-June 1963, compared with 86.2 million in the same period a year ago. A drop in shipments to non-Commonwealth countries more than offset increases in those to the Commonwealth.

Flue-cured shipments to the United Kingdom rose to 43.5 million pounds in January-June 1963 from 38.6 million a year earlier, while those to other Commonwealth countries, mainly Malaya, Australia, and Hong Kong, remained about the same.

Exports of flue-cured to all the major non-Commonwealth markets, with the exception of France; were smaller than in January-June 1962. West Germany, the principal outlet, purchased 10.9 million pounds compared with 11.8 million. Japan, Italy, and the Soviet Union, which in the first half of 1962 had taken a combined total of 7.8 million pounds, purchased only 123,000 pounds this year, which all went to Japan. Belgium's imports also dropped sharply—to 700,000 pounds from 4.3 million. France, however, increased its purchases from 400,000 pounds to 2.3 million. Combined shipments of flue-cured to EEC countries were 17.2 million pounds in January-June 1963 —a drop of 25 percent from the 22.9 million in the first half of 1962.

TOBACCO, FLUE-CURED: RHODESIAS-NYASALAND, EXPORTS BY DESTINATION, JANUARY-JUNE 1961-63

Destination	January-June		
	1961	1962	1963
	Million pounds	*Million pounds*	*Million pounds*
Commonwealth:			
United Kingdom	41.7	38.6	43.5
Malaya [1]	2.6	3.2	3.4
Hong Kong	2.5	3.1	3.3
Australia	5.7	2.0	1.9
West Indies	.5	.6	.7
New Zealand	.4	.3	.4
Others	1.0	.7	1.2
Total	54.4	48.5	54.4
Non-Commonwealth:			
Germany, West	10.0	11.8	10.9
Netherlands	3.2	3.5	3.3
France	.1	.4	2.3
Belgium	2.7	4.3	.7
Austria	—	1.2	.7
So. Africa, Rep. of	2.0	1.4	.7
Sweden	.5	.7	.6
Japan	.5	2.0	.1
United States	(2)	.8	.1
Italy	—	2.9	—
Soviet Union	—	2.9	—
Others	2.6	5.8	3.3
Total	21.6	37.7	22.7
Grand total	76.0	86.2	77.1

[1] Includes the Federation of Malaya and Singapore. [2] Less than 50,000 pounds.

Italy's Tobacco Imports Up; Exports Down

Italy's imports of unmanufactured tobacco, in January-June 1963, at 37.0 million pounds, were up 3 percent from those in the first half of 1962. Imports in both periods were much above normal, reflecting the shortfall in Italian tobacco production in 1961. Major changes in the import pattern this year were the substantial purchases from Mexico and Argentina, which had supplied no tobacco to Italy in the 1962 period. Also, there were no reported imports from Turkey, in contrast with 11.7 million pounds in January-June 1962.

Exports of tobacco from Italy in January-June 1963 were 12.5 million pounds—less than half those for the same period of 1962. This decline was mainly the result of a sharp drop in West German takings—to 6.7 million pounds from 18.3 million a year ago.

TOBACCO, UNMANUFACTURED: ITALY, IMPORTS AND EXPORTS, JANUARY-JUNE 1962 AND 1963

Country	January-June			
	Italian imports		Italian exports	
	1962	1963	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United States	4,305	7,362	1,910	1,124
Turkey	11,690	(1)	—	—
Brazil	7,049	7,469	—	—
Greece	5,638	7,681	—	—
Indonesia	3,486	1,634	—	—
Mexico	—	6,329	—	—
Argentina	—	3,802	—	—
Yugoslavia	2,035	(1)	—	—
Bulgaria	1,599	2,674	—	—
Germany, West	—	—	18,272	6,706
Switzerland	—	—	1,370	1,730
Netherlands	—	—	2,457	1,721
Others	70	97	3,139	1,254
Total	35,872	37,048	27,148	12,535

[1] If any, included in others.

Statistica Mensile del Commercio con L'Estero, June 1962 and 1963.

Greece Exports Less Tobacco in Fiscal 1963

Greek exports of unmanufactured tobacco in the fiscal year ended June 30, 1963, totaled 116.2 million pounds, at an average price equivalent to 83.5 U.S. cents per pound. Exports in fiscal 1962 had totaled 138.3 million pounds, with an average export price of 59.4 U.S. cents per pound. The 1963 drop in volume and rise in price reflects the small export availabilities from the 1961 tobacco crop.

The United States was the leading buyer of Greek tobacco in fiscal 1963, taking 29.6 million pounds. West Germany, with 28.0 million, ranked second. Total exports to the Soviet Bloc in fiscal 1963 amounted to 17.9 million pounds, compared with 34.6 million the year before.

TOBACCO, UNMANUFACTURED: GREEK EXPORTS, BY COUNTRY OF DESTINATION, FISCAL YEARS 1962-1963

Destination	Year ending June 30			
	1962		1963	
	Quantity	Av. export price	Quantity	Av. export price
	1,000 pounds	*U.S. cents per pound*	*1,000 pounds*	*U.S. cents per pound*
United States	29,162	78.0	29,597	103.0
Germany, West	34,711	56.2	27,972	75.2
Italy	5,767	64.4	10,183	70.8
Soviet Union	15,631	44.5	9,262	90.7
France	9,652	52.6	8,241	59.9
Austria	1,457	43.1	3,503	60.8
Czechoslovakia	5,633	79.4	3,142	117.9
Egypt	200	57.2	2,910	63.5
Switzerland	6,570	85.3	2,835	97.5
Poland	3,078	48.1	2,780	88.9
Sweden	2,052	60.3	1,550	98.9
Finland	2,099	52.2	1,435	69.4
Others	22,258	—	12,814	—
Total	138,270	59.4	116,224	83.5

Panama's Leaf Tobacco Outturn Still Rising

The area planted to tobacco in Panama for the 1963-64 season is officially forecast at 3,220 acres—up 3 percent

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from the previous season's and 2½ times the 1955-59 average harvested acreage of 1,281.

The 1963 tobacco harvest is now placed at 2.6 million pounds, compared with 1.5 million in 1962 and the 1955-59 average of only 926,000.

Most of the increase has been in flue-cured and burley production in the province of Chiriqui. This area accounts for about 80 percent of total acreage and slightly over 85 percent of total production.

Grower prices for leaf tobacco produced in this Province have risen substantially since the 1961 harvest. The price for first class leaf was equivalent to 35.7 cents per pound in 1961, 41.7 in 1962, and 51.0 in 1963. Prices for second-class leaf were 26.5 cents in 1961, 28.8 in 1962, and 33.0 in 1963.

West Germany Imports More Cheese

During the first 6 months of 1963, West Germany imported 130 million pounds of cheese compared with 123 million in the same period of 1962. Although shipments from the largest suppliers were down, heavier quantities were received from numerous smaller suppliers. Imports from the Netherlands and Denmark were down by 2 million pounds each to 55 million and 42 million, respectively. Imports from France doubled to 14 million pounds, and those from Norway, Switzerland, and New Zealand were also larger.

Imports of butter in the January-June period totaled 28 million pounds—4 million less than a year ago. Shipments from the Netherlands rose to 5 million pounds from 3 million, but those from most of the other major suppliers were down. Imports from France decreased to 8 million pounds from 9 million and those from New Zealand, to 3 million from 5 million.

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